

September 15, 2011

Mr. Mike Bratcher
Oil Conservation Division
Artesia, NM

Re: Squires 'ALR' #2
30-015-34246
Section 12, T24S-R30E
Eddy County, New Mexico

Dear Mr. Bratcher:

Yates Petroleum Corp. would like to submit for your consideration the enclosed work plan for the above captioned well. The plan is being submitted in response to the C-141 report dated August 11, 2011.

If there are no objections with the scope of work described in the plan, Yates will have a contractor begin work on or after the week of September 26, 2011.

If you have any questions call me at
(Office) 575-748-4311
(Cell) 575-413-9235

Thank you.

Yates Petroleum Corporation

Jeremy Haass
Environmental Regulatory Agent



Enclosure(s):

Map to location

Yates Petroleum Corporation

Squires 'ALR' #2 Work Plan

Section 12, T24S-R30E

Eddy County, New Mexico

September 15, 2011

I. Location

GO EAST OF CARLSBAD ON HWY 62/180 TO STATE ROAD 31, TURN SOUTH ON 31 AND GO TO HWY 128 (JAL HWY). TURN EAST ON 128 AND GO APPROX 11-6/10 MILES TO TWIN WELLS ROAD CR-787, TURN SOUTH ON TWIN WELLS ROAD AND GO APPROX 5 MILES. TURN RIGHT HERE ON THE EXISTING LEASE ROAD AND GO APPROX. 7/10 OF A MILE. THE ROAD FORKS HERE JUST FOLLOW THE MAIN LEASE ROAD FOR APPROX. 1/10 OF A MILE. THE NEW ROAD WILL START HERE ON THE EAST SIDE OF AN EXISTING NORTH SOUTH POWER LINE. THE NEW ROAD WILL GO NORTH FOR APPROX. 1/10 OF A MILE THEN GO NORTHWEST A SHORT DISTANCE THEN NORTH FOR APPORX 1/10 OF A MILE TO THE LOCATION.

II. Background

On August 3, 2011 a release occurred of 350 B/PW 12 B/O and 25 MCF of which 0 B/PW 0 B/O was recovered. Yates submitted a C-141 on August 11, 2011 to the NMOCD District II office. The total affected area was 100 yards x 300 yards. Initial delineation samples were taken (9/8/11) and sent to an NMOCD approved laboratory (9/8/11 awaiting results).

III. Surface and Ground Water

Area surface geology is Cenozoic. The nearest Depth to Groundwater record listed on the Chevron Texaco Trend Map (Section 12, T24S-R30E) shows depth of groundwater to be approximately 350 feet making the site ranking for this site a zero (0). Watercourses in the area are dry except for infrequent flows in response to major precipitation events.

The ranking for this site is zero (0) based on the as following:

Depth to ground water	> 100'
Wellhead Protection Area	> 1000'
Distance to surface water body	> 1000'

IV. Soils

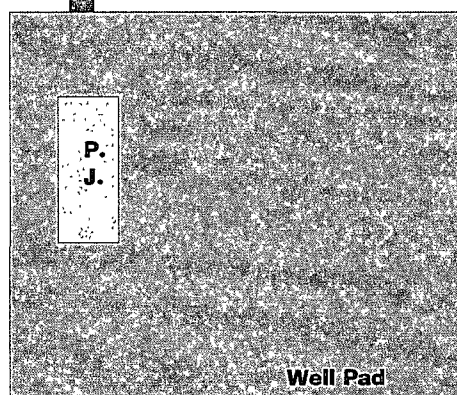
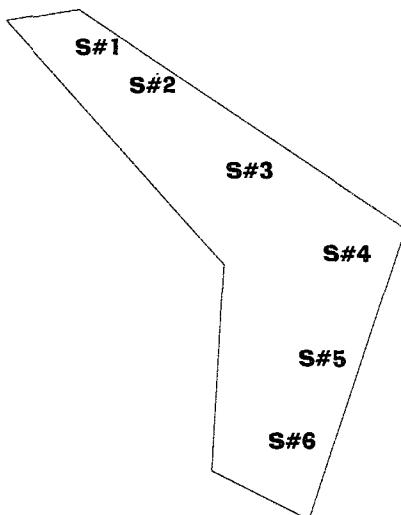
The area consists of soils that are caliche and interspersed with clay seams providing a low permeability barrier to retard vertical percolation of contaminants into the subsurface.

V. Scope of Work

Upon approval of this work plan, Yates Petroleum Corp. will have a contractor excavate 6" to 2' of impacted soil (total excavation will be 100' x 300' x 6" to 2' deep), impacted soils will be taken to an NMOCD approved facility for disposal. Yates will notify the NMOCD when sample results are received (analysis to be presented to the NMOCD) Yates will then submit a C-141, Final Report and analytical results to the Oil Conservation Division requesting closure. Upon closure approval, Yates will have a contractor backfill excavation area with clean, like material.



Flow line



	Sample Area	Sample Date	Sample Type	Depth	BTEX	GRO	DRO	TOTAL	Chlorides
S#1	Release Area	9/8/2011	Auger	1'					
S#2	Release Area	9/8/2011	Auger	1.5'					
S#3	Release Area	9/8/2011	Auger	8"					
S#4	Release Area	9/8/2011	Auger	6"					
S#5	Release Area	9/8/2011	Auger	1'					
S#6	Release Area	9/8/2011	Auger	1'					

Site Ranking is Zero (0). Depth to Ground Water >100' (approx. 350', per Trend Map).

All results are ppm. Chlorides for documentation. S# - Sample Points

Released: 350 B/PW & 12 B/O & 25 MCF; Recovered: 0 B/PW & 0 B/O & 0 MCF. Release Date: 8/3/2011



Squires 'ALR' #2

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Section 12, T24S-R30E

Eddy County, NM

SAMPLE DIAGRAM(Not to Scale)

**Prepared by Jeremy Haass
Environmental Regulatory Agent**